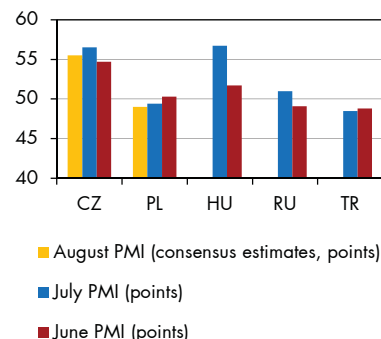


PMI data for August to decline



Source: Bloomberg

Market snapshot

	curr.*	Dec-14	Mar-15	Jun-15
Poland				
EUR/PLN	4.22	4.15	4.15	4.15
Key rate	2.50	2.50	2.50	2.50
10y bond	3.1	3.7	3.9	4.0
Hungary				
EUR/HUF	315.5	315	315	320
Key rate	2.10	2.10	2.10	2.10
10y bond	4.5	6.0	6.3	6.6
Czech Rep.				
EUR/CZK	27.8	27.2	27.2	27.2
Key rate	0.05	0.05	0.05	0.05
10y bond	1.2	2.0	2.2	2.4
Romania				
EUR/RON	4.41	4.45	4.40	4.45
Key rate	3.25	3.00	3.00	3.00
10y bond	4.2	4.5	4.8	5.1
Croatia				
EUR/HRK	7.62	7.68	7.66	7.59
10y bond	3.6	4.5	4.5	4.5
Russia				
USD/RUB	36.9	37.0	37.4	38.0
Key rate	8.00	8.50	8.50	8.50
10y bond	9.7	9.8	9.8	10.0
Turkey				
USD/TRY	2.16	2.10	2.15	2.10
Key rate	8.25	7.75	7.75	7.75
10y bond	9.0	9.5	9.7	9.8
EUR/USD	1.32	1.30	1.30	1.27

* prices as of 29 August 2014, 10:29 a.m. CET
Source: Thomson Reuters, Raiffeisen RESEARCH

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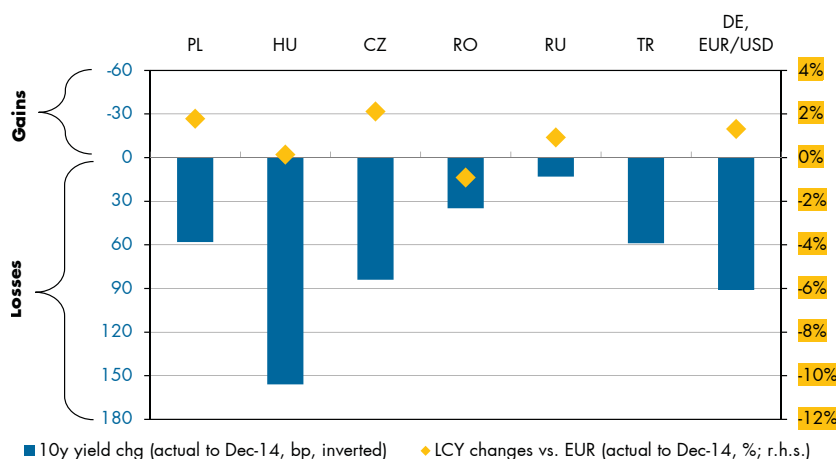
Highlights

Hopes of de-escalation in the Russia/Ukraine conflict vanished. In light of most recent developments on the ground in Ukraine the sanction rhetoric by Western governments, with the US in the lead, is likely to pick up. New sanctions will have to tackle sectors that have not been hit so far or areas that profited from grand-fathering. As things stands it seems that leading Western countries are willing to increase the economic and political costs for Russia substantially going forward. We think that this time an additional tightening of Western (economic and political) sanctions against Russia may come fairly quickly in the course of next week. This holds especially true as technical and legal details for more far reaching sanctions have already been studied during the most recent round of sanction tightening. The most recent deterioration in the Russia/Ukraine conflict had a visible impact on RUB, RUB yields but also the HGB market. In contrast market reaction in other CEE assets or on global financial markets remained modest up to now; a picture that may change depending on possible new Western sanctions against Russia and probable tit-for-tat Russian retaliation in the days ahead (see also our Focus on coverage on page 2-3).

The upcoming week will kick-off with the release of PMI data for August. For the CEE region PMIs had been a mixed bag back in July (Poland down, other CE up). It is questionable if the indications for a better sentiment in the Czech Republic and Hungary will be repeated.

Financial analysts: Gunter Deuber (+431 717 07 5707)

Expected changes until December 2014



Source: Bloomberg, Raiffeisen RESEARCH

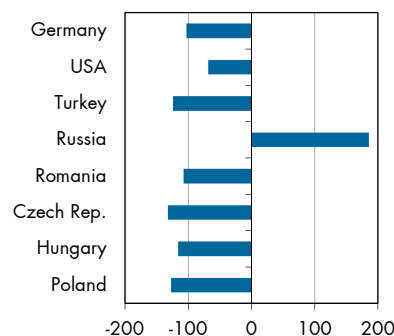
Data highlights upcoming week

Date	Indicator	Period	est.	High	Mean	Low	Prev.
01-Sep	CZ: PMI, points	Aug	56.0	55.7	55.5	54.0	56.5
01-Sep	HU: PMI, points	Aug	n.a.	n.a.	n.a.	n.a.	56.7
01-Sep	PL: PMI, points	Aug	49.8	49.8	48.9	48.8	49.4
03-Sep	PL: Key rate, %	Sep	2.50	2.50	2.50	2.25	2.50
03-Sep	RO: GDP, % yoy	Q2	n.a.	n.a.	n.a.	n.a.	1.2

Source: Bloomberg, Raiffeisen RESEARCH

Focus on: “Little green men” are back – risk of new sanctions

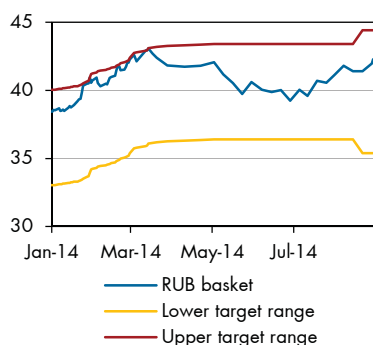
10y bond yield (bp change over ytd)



Source: Bloomberg, Raiffeisen RESEARCH

Beginning of the week there were some **overoptimistic hopes** for **de-escalation** of the **Russia/Ukraine** conflict, mainly centred on meetings between Russian, Ukrainian, CIS and EU officials in Minsk. These hopes for de-escalation (or at least a stabilisation of the conflict) were also well reflected on CEE and global financial markets. However, the meetings in Minsk delivered no real outcomes. Mostly known positions were exchanged, and the **Russian foreign policy stance** on the **Ukraine conflict remained virtually unchanged**. In this context, it must be stressed that in other geopolitical conflicts Russia has also proven several times that it is good in engaging in symbolic diplomatic talks while pursuing other agendas behind the scenes. Hence, it is not totally surprising that days after the diplomatic talks in Minsk there are **highly visible signs** of decisive and **open Russian military support** for the rebels in (south) eastern Ukraine. Up to now, Russia continues to deny engaging in Ukraine with military support for rebels or by sending armed forces across the Ukrainian border; a position that is more and more outspoken challenged by major Western countries and institutions. The Ukrainian Prime Minister called on leading Western powers "to freeze Russian assets and finances until Russia withdraws armed forces, equipment and agents".

RUB trading range widened



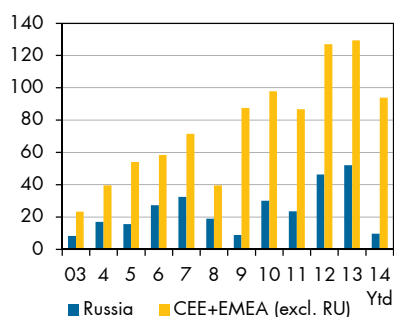
Source: Bloomberg, Russian Central Bank, Raiffeisen RESEARCH

Additional tightening of sanctions may come quickly

In our view, **most recent developments lower the chances of de-escalation**. If Russia opts to openly support separatists in eastern Ukraine, any retreat – be it on the battlefield or in diplomacy – would become even more difficult. In this case, the conflict would be less likely to stop anytime soon – with **direct and indirect costs** for the economy, especially in **Ukraine**, but also in **Russia**, and **Europe, on the rise**. A strong wording against Russia during the most recent UN Security Council session also shows the **determination of leading Western countries to increase the economic and political costs** for **Russia** substantially going forward.

Also, strong **Russian military involvement** in the conflict would make a **military solution** (i.e. defeat of the separatists) as pursued by the Ukrainian authorities **hardly achievable**. Ukraine's society and military will be tested how long they can burden the military campaign on the backdrop of rising casualties and financial costs. Thus, **Ukraine could be forced step up negotiations – resulting in far reaching concessions** - at some point. Moreover, with the approaching heating season, the gas dispute will become more pressing again from autumn.

International bond issuance (USD bn)



Source: Bloomberg, Raiffeisen RESEARCH

Given the most recent events, it is also not surprising that the **de-escalation mood has vanished on the financial markets**. The RUB basket once again inched to levels above 42, and 10-year RUB-government yields increased to levels above 9.7%. Recent events in Ukraine also brought this week's rally in more risky assets to a halt, once again pushing German bund yields well below a level of 1%. Besides the most recent short-term market setback, we see a **near-term risk** of more **decisive setbacks** in terms of **economic and financial relations** between **Russia** and the **West**. The last two to three weeks were characterised by the absence of new threats from both West and Russia in terms of new sanctions. But this appears to have been a temporary pause. In light of most recent events in (south) eastern Ukraine, the **West is likely to step up sanctions rather quickly**. This holds especially true for the USA. We think that this time an **additional tightening of sanctions may come fairly quickly** in the course of next week; EU leaders will meet over the weekend anyways. Firstly, EU countries that showed thoughtfulness in terms of implementing sanctions against Russia have revisited this position over

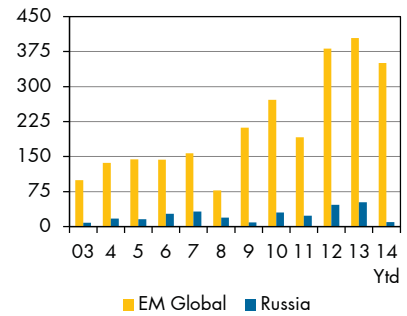
the last few week(s). Secondly, technical and legal details for more far reaching sanctions have been already studied during the most recent round of tightening. Thirdly, everything that happened in the course of this week goes totally against the expectations of the West. Therefore, we are currently not seeing any chance for a quick abolishment of current sanctions and see more risk of a tit-for-tat sanctions escalation going forward. That said, it is also pretty clear that any **new round of sanctions** must **focus on areas, sectors or actors** that were **untouched** by sanctions **up to now and/or that profited from grandfathering**. Therefore, we are concerned that we will see increasing talk about tightening the financial and economic sanctions against Russia which may involve aspects such as targeting current portfolio holdings of Russian financial assets by Western investors, short-term and bilateral financing, etc. It goes without saying that such initiatives – with US authorities most likely in the lead again – would trigger Russian retaliation.

Medium-term risks for Russian markets and assets on the rise

That said, we think that **additional tightening of Western sanctions** may have a **more pronounced and medium-term impact on Russian financial markets** and assets compared to the situation we have seen over the last few weeks. Or in other words: we see **significant downside risks for sentiment towards Russian risk** for H2 2014. International markets will soon reopen after the summer break, but given the current environment Russia-related deals are likely to be scarce. Such an outlook may add to negative investor perception. From a short-term perspective closed international markets are not a big deal for Russia, but the problems will increase the longer such a situation will remain in place. That said year-to-date international bond placements out of Russia are at some 30% of their 2008-2013 annual average (or at around USD 9.8 bn compared to average annual volumes of around USD 25-30 bn 2008-2013), while in other emerging market regions year-to-date international bond placements are already running at 130-140% of their annual placement volumes for 2008-2013 (which is not very surprising given the current global yield environment). Moreover, **investors** that are still **betting** on a **relief rally** in currently **cheap Russian assets might revisit their positions** going forward. And the risk of (substantial) **additional monetary tightening** in Russia increases also **downsides for LCY bond investors**. And from a more global perspective a negative market sentiment towards Russia may become a boost from increasing pressure resulting from US rate hike (talks) over the next 6 months or so. Moreover, a **scenario** of substantially **tightened Western sanctions** can **increase the pressure on financial buffers** (FX reserves including fiscal funds) **currently available for Russia**. Therefore, such a scenario may also trigger additional pressure on the **Russian sovereign rating** (where the market also continues to price in at least another one-notch downgrade). However, we reaffirm our opinion that speculation about an outright Western freeze of Russian sovereign reserve assets held in foreign banks is overdone. Russia is too big and important in a global market and diplomatic context (an outright Russian sovereign asset freeze would likely trigger a very negative reaction from China with ample reserve asset positions).

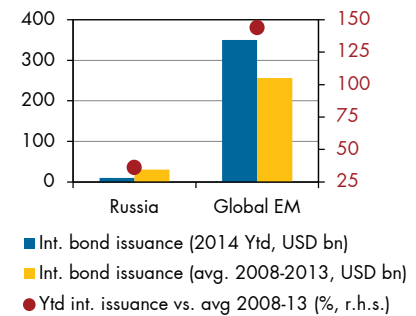
Financial analyst: Gunter Deuber (+431 717 07 5707) , Andreas Schwabe (1389)

International bond issuance (USD bn)



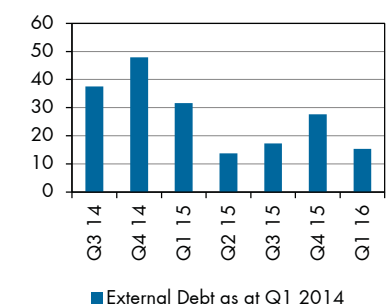
Source: Bloomberg, Raiffeisen RESEARCH

International bond issuance (USD bn)



Source: Bloomberg, Raiffeisen RESEARCH

External debt redemption schedule*



* total external debt, including public, banks and corporate sector, in USD bn
Source: CBR, Raiffeisen RESEARCH

Data releases and country coverage

This week, previous week: key data releases

Indicator	Period	Actual	Forecast	Prev.	Indicator	Period	est.	High	Mean	Low	Prev.
Friday, 22 August					Friday, 29 August						
HR: Unemployment rate, %	Jul	17.8	n.a.	18.3	HR: GDP, % yoy	Q2	-0.8	n.a.	n.a.	n.a.	-0.4
Tuesday, 26 August					Monday, 1 September						
HU: Key rate, %	Aug	2.10	2.10	2.10	RS: Industrial output, % yoy	Jul	n.a.	n.a.	n.a.	n.a.	-9.2
PL: Retail sales, % yoy	Jul	2.1	3.3	1.2	RS: Retail sales, % yoy	Jul	n.a.	n.a.	n.a.	n.a.	4.6
PL: Unemployment rate, %	Jul	11.9	11.7	12.0	Monday, 1 September						
Wednesday, 27 August					CZ: PMI, points	Aug	56.0	55.7	55.5	54.0	56.5
HU: Unemployment rate, %	Jul	7.9	8.0	8.0	HU: PMI, points	Aug	n.a.	n.a.	n.a.	n.a.	56.7
TR: Key rate, %	Aug	8.25	8.25	8.25	PL: PMI, points	Aug	49.8	49.8	48.9	48.8	49.4
Friday, 29 August					HU: FX reserves, EUR bn	Aug	n.a.	n.a.	n.a.	n.a.	34.1
CZ: GDP final, % yoy	Q2	2.7	2.6	2.9	RU: PMI, points	Aug	n.a.	n.a.	n.a.	n.a.	51.0
PL: GDP final, % yoy	Q2	3.3	3.2	3.4	TR: PMI, points	Aug	n.a.	n.a.	n.a.	n.a.	48.5
SI: GDP, % yoy constant prices	Q2	2.9	n.a.	2.1	Tuesday, 2 September						
SI: Retail sales, % yoy	Jul	2.3	n.a.	-2.6	HR: Industrial output, % yoy	Jul	-1.3	n.a.	n.a.	n.a.	-1.7
SI: CPI, % yoy	Aug	-0.3	n.a.	0.0	HU: Trade balance final, EUR mn	Jun	n.a.	n.a.	n.a.	n.a.	609.7
					RO: Retail sales, % yoy	Jul	n.a.	n.a.	n.a.	n.a.	10.3
					Wednesday, 3 September						
					HR: Retail sales, % yoy	Jul	0.5	n.a.	n.a.	n.a.	0.1
					HU: Retail sales, % yoy	Jul	n.a.	n.a.	n.a.	n.a.	4.1
					HU: GDP final, % yoy nsa	Q2	n.a.	n.a.	n.a.	n.a.	3.5
					PL: Key rate, %	Sep	2.50	2.50	2.50	2.25	2.50
					RO: GDP, % yoy	Q2	n.a.	n.a.	n.a.	n.a.	1.2
					BG: GDP final, % yoy wda	Q2	n.a.	n.a.	n.a.	n.a.	1.2
					SK: Retail sales, % yoy	Jul	n.a.	n.a.	n.a.	n.a.	2.5
					SK: GDP final, % yoy	Q2	n.a.	n.a.	n.a.	n.a.	2.4
					TR: CPI, % yoy	Aug	n.a.	n.a.	n.a.	n.a.	9.3
					Thursday, 4 September						
					CZ: Retail sales, % yoy	Jul	n.a.	n.a.	n.a.	n.a.	8.2
					RU: CPI, % yoy	Aug	n.a.	11.0	7.6	7.5	7.5
					Friday, 5 September						
					HU: Industrial output, % yoy wda	Jul	n.a.	n.a.	n.a.	n.a.	11.3
					UA: CPI, % yoy	Aug	n.a.	n.a.	n.a.	n.a.	12.6
					UA: FX reserves, USD bn	Aug	n.a.	n.a.	n.a.	n.a.	16.1

Source: Bloomberg, Raiffeisen RESEARCH

Croatia (HR) – After almost two months, the Ministry of Finance yesterday held an auction of T-bills, issuing HRK 1.38 bn and EUR 32.8 mn. With relatively high demand, yields on 3m and 1y pure HRK T-bills registered a further decline, dropping by 20bp and 5bp, respectively. However, yields on EUR-linked 1-year T-bills went up (by 20bp) to 0.6%. As HRK 1.3 bn and EUR 11 mn falls due next week, MoF announced another T-bill auction for Tuesday offering HRK 1 bn and EUR 10 mn. Ample HRK liquidity and the lack of any attractive investment will continue to support demand for short-term government paper, despite the historically low yields.

In the meantime, the rather empty calendar of economic releases featured the figures on state budget execution for H1. VAT revenues fell significantly (-6.8% yoy), due to the exhausted economy after a six-year long recession. In the observed period, total expenditures amounted to HRK 69.7 bn, almost on par with the same period in 2013, reflecting the lack of any serious measures or consolidation on the expenditure side of the budget. Interest expenditure rose 10.7% yoy, highlighting a significant problem with public outstanding debt and the unsustainable debt path. Therefore, we stick to our old forecast of a budget deficit of 4.8% of GDP in 2014.

Financial analyst: Zrinka Zivković Matijević (+385 1 6174 338), Raiffeisenbank Austria d.d., Zagreb

Czech Republic (CZ) – Next week, we expect the Czech PMI to decline to 56.0 from 56.5 points. This level still signals more strong expansion, but the deterioration in sentiment caused by the Ukrainian crisis will eventually weigh on the Czech indices as well to some extent. "Hard data" such as retail sales will show further year-on-year growth, but the base effect will be strong and therefore the 8.0% reading shall be taken neutrally. Geopolitics will probably remain the key driver for the Czech FX and FI market, unless the ECB meeting delivers any major surprises.

Financial analyst: Michal Brozka (+420 234 401 498), Raiffeisenbank a.s., Prague

Poland (PL) – Retail sales and unemployment results for July were broadly in line with consensus and did not change the odds for the next MPC meeting. Based on recent MPC comments, the highest chance for a cut will be in October. Yesterday's comments by the NBP Governor on the need to revise down the inflation projection is a dovish sign. Furthermore, his opinion that PLN appreciation remains a bigger concern than depreciation (despite the weakening in recent days) added to expectations that a rate cut may occur. However this does not necessarily mean that M. Belka will join the dovish side of the MPC (which in our opinion now contains 4 members).

Financial analyst: Michał Burek (+48609921096), Raiffeisen Polbank, Warsaw

Romania (RO) – On a weekly basis, yields for short-term tenors (up to 1y) increased by 2-4bp, while yields for medium and long-term maturities (3y to 10y) decreased on average by 4bp, probably suggesting better demand for T-securities corresponding to this part of the yield curve. The Finance Ministry (MoF) plans to borrow RON 2.8 bn at the auctions for T-bills and T-bonds scheduled in September. This issuance plan implies a debt target above the effective issuance in August (RON 1.2 bn) and a higher average residual maturity (5.5 years versus 5.1 years in August). The budget deficit in Jan-July amounted to roughly RON 1 bn (or 0.2% of the official GDP projection for 2014), due to a large surplus in July (RON 2.5 bn). However, still-low investment spending and poor use of EU funds is very easily noticeable. The Economic Sentiment Indicator continued to improve in August, reaching 101 points and outpacing the long-term average of 100 points. On Wednesday (3 September), detailed data on the dynamics of GDP components will be published. This is a keenly awaited release, taking into account that the poor real GDP growth in Q2 (1.2% yoy, -1% qoq) came as a major negative surprise which cannot be fully explained by the path of the short-term indicators in Q2.

Financial analyst: Anca Jelea (+40213061265), Raiffeisen BANK S.A., Bucharest

Russia (RU) – Earlier this week, the Ministry of Economic Development introduced a draft of its updated economic forecasts. We note that the real GDP growth forecast for 2014 was left unchanged (+0.5%), although IP growth was revised upward (from 1% to 1.7%), while capital investments and retail sales growth (proxy for consumption) are expected at the same levels (+2.4% and +1.9%, respectively). The weaker performance of key macro indicators in 7m 2014 suggests that the Ministry expects some improvement, which we find rather unlikely given that since the last update of the forecast new sanctions against Russia were implemented. The Ministry might also expect some input from state-led infrastructure projects. If so, we find it strange that the Ministry revised economic growth forecast for 2015 downward (from 2% to 1%) when the effect of these projects should become visible. We also note that the Ministry increased its CPI forecast rather sharply (from 5.5-6.5% to 7-7.5% in 2014 and from 4.5-5.5% to 6-7% in 2015). While we share the official expectations for 2014 as we see inflationary pressure from the recently introduced food imports ban, we remain more optimistic about 2015. The Ministry commented that apart from the food imports ban it also assumes the introduction of sales tax. We do not exclude that a potential tariffs increase was also taken into account. As these initiatives are under discussion and there is no final decision yet, we leave our forecast for 2015 unchanged.

Financial analyst: Maria Pomelnikova (+7 495 221-9845), ZAO Raiffeisenbank Austria, Moscow

Serbia (RS) – The new cabinet is muddling through the rather challenging situation, attempting to support the weak economy and at the same time embark on the painful fiscal reform agenda, whilst new risks are constantly emerging from the Russia-Ukraine conflict. The most recent is related to the introduction of the embargo on food imports from "the USA, the EU, Australia and Canada" by Russia, in response to sanctions over Ukraine. Whereas this represents a great opportunity for the country to increase its exports, amidst the slowdown in FIAT vehicles exports and downbeat economy sentiment, on the other hand the government must take care not to spoil good relations with the EU, the country's key foreign trade partner. In this respect, the cabinet decided to avoid subsidising exports to Russia, but the present and new trade deals with the Russian Federation will be carried out. As mentioned above, the gloomy sentiment and weaker risk appetite on the local debt market, along with the expected change in the US Fed monetary policy, all support weakening EUR/RSD sentiment. The NBS has intervened very moderately on the FX market, and in our view it is making efforts to support budget revenue growth via controlled dinar depreciation against the euro.

New business opportunities might arise from the upcoming meeting of Western Balkan leaders being hosted by Germany. The central point of this conference will be economic and regional cooperation, in particular the project of building a high-speed rail line in the Western Balkans, but also the Belgrade-Pristina dialogue will be discussed.

Financial analyst: Ljiljana Grubic (+381 11 2207178), Raiffeisenbank a.d., Belgrade

Turkey (TR) – Recep Tayyip Erdogan has been sworn in as Turkey's 12th, but first popularly elected president. One of his first acts was the appointment of Ahmet Davutoglu, the new leader of the AK Party and former foreign minister, as the new prime minister. According to Davutoglu, Turkey needs a new constitution, which could pave the way for Erdogan to move

closer to an executive presidency. The market is anxious to see the first acts of the new prime minister and Erdogan's conduct. The rating agency Moody's believes that the political situation in Turkey is likely to remain uncertain until at least the middle of next year, when parliamentary elections are due. Furthermore, market sentiment is affected by the conflicts in Ukraine and Iraq. Although the Turkish lira will remain exposed to external market risks, internal political developments could also affect TRY in the short run. It should also be mentioned that the Turkish central bank cut its overnight lending rate by 75bp to 11.25% and the overnight borrowing to 10.75% at its last meeting. However, the one-week repo rate was left unchanged at 8.25%. Government officials repeatedly asked the central bank for further rate cuts to support the economy. Nevertheless, according to its press release the tight monetary policy stance will be maintained, by keeping a flat yield curve, until there is a significant improvement in the inflation outlook.

Financial analyst: Martin Stelzener, CEFA (+43 1 71707 1614)

Ukraine (UA) – The hryvnia remains under depreciation pressure on the back of escalating conflict in Donbass. In particular, the local currency has been in free fall, reaching an all-time high level of 14.40-14.80 against USD on 27 August. Since then the hryvnia fought back a little to the current levels of 13.60-13.90, which implies nearly 70% depreciation (or 50% loss of value) year-to-date. The National Bank, surprisingly, has been reluctant to fight apparent hryvnia weakness in the last few weeks. The FX market interventions have been limited in size (given weak reserve position of the central bank), while monetary tightening (i.e. hike in NBU policy rates) did not help much due to the almost non-existent monetary transmission mechanism. Hence, as market measures appeared non-efficient, we expected the NBU to step in with the strong administrative restrictions. However, so far the National Bank limited it to the introduction of 100% surrender requirement, while other measures (i.e. like reducing long open FX position limit from 5% to 1%, lowering the cap for daily cash FX purchases etc.) are still discussed. The situation at the FX market is likely to remain tense in the next few weeks. On the one side, hryvnia might be supported by the green light for USD 1.4 bn disbursement, expected to be given by IMF Board of Directors on 29 August. On the other side, the public sentiment for the local currency remains at the very low level given the unfavourable recent developments in Donbass (i.e. alleged blatant open incursion by the Russian military).

Financial analyst: Dmytro Sologub (+380 44 49590-72), Raiffeisen Bank Aval JSC, Kiev

Monetary policy and money markets overview

CEE key interest and money markets outlook

Poland	curr.*	Dec-14	Mar-15	Jun-15	5y high	5y low
Key interest rate (% eop)	2.50	2.50	2.50	2.50	4.75	2.50
1 m money market rate (% eop)	2.49	2.60	2.60	2.63	4.82	2.40
3m money market rate (% eop)	2.50	2.67	2.74	2.95	5.04	2.50
6m money market rate (% eop)	2.51	2.80	2.90	3.15	5.07	2.51
Hungary						
Key interest rate (% eop)	2.10	2.10	2.10	2.10	8.00	2.10
1 m money market rate (% eop)	2.10	2.40	2.40	2.40	8.01	2.10
3m money market rate (% eop)	2.14	2.65	2.70	2.70	7.93	2.13
6m money market rate (% eop)	2.19	2.75	2.85	2.85	7.93	2.19
Czech Republic						
Key interest rate (% eop)	0.05	0.05	0.05	0.05	1.25	0.05
1 m money market rate (% eop)	0.03	0.05	0.20	0.20	1.27	0.03
3m money market rate (% eop)	0.04	0.20	0.35	0.35	1.61	0.04
6m money market rate (% eop)	0.42	0.30	0.50	0.60	2.16	0.42
Romania						
Key interest rate (% eop)	3.25	3.00	3.00	3.00	8.50	3.25
1 m money market rate (% eop)	1.74	1.80	2.20	2.40	11.49	1.11
3m money market rate (% eop)	1.98	2.00	2.30	2.55	10.62	1.69
6m money market rate (% eop)	2.20	2.00	2.15	2.40	10.24	2.11
Russia						
Key interest rate (% eop)	8.00	8.50	8.50	8.50	8.00	5.50
1 m money market rate (% eop)	9.50	10.40	10.10	10.30	9.70	3.23
3m money market rate (% eop)	10.21	10.80	10.50	10.60	11.39	3.73
6m money market rate (% eop)	10.37	10.90	10.60	10.70	12.51	4.12
Turkey						
Key interest rate (% eop)	8.25	7.75	7.75	7.75	10.00	4.50
1 m money market rate (% eop)	8.71	9.00	8.80	8.60	11.99	4.61
3m money market rate (% eop)	9.02	9.20	9.10	9.00	12.15	4.74
6m money market rate (% eop)	9.38	9.30	9.20	9.10	12.48	5.12
Benchmark key rates (% eop)						
ECB key interest rate (% eop)	0.15	0.15	0.15	0.15	1.50	0.15
Fed key interest rate (% eop)	0.08	0.25	0.50	1.00	0.31	0.01

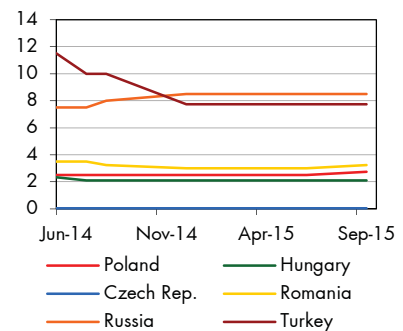
* Bid rates (for Hungary ask rates) as of 29 August 2014, 09:58 a.m. CET
Source: Bloomberg, Raiffeisen RESEARCH

Central bank watch

Poland (NBP)	Recent comments from NBP Governor seem rather dovish but it is still uncertain whether he will support the other clearly pro-cut MPC members.
Hungary (MNB)	MNB ended the two-year easing cycle and is now focusing on anchoring longer-term rate expectations; MNB will try to keep low rates as long as possible.
Czech Republic (CNB)	According to CNB, FX intervention regime not to end before 2016 and rate hike cycle only to start after this.
Romania (BNR)	Adjustment of policy rate to money market reality as a technical move with a/more cut(s) expected in the near future. In addition, further cuts to both FCY and LCY RRR likely, especially after recent disappointing GDP data.
Serbia (NBS)	NBS was again prudent as it kept rate cutting cycle on hold recently due to elevated political/fiscal uncertainty. However, basically we still anticipate the continuation of measured rate cuts in the upcoming period.
Russia (CBR)	Given deterioration in inflation outlook, but clearly also due to financial stability considerations we now expect at least one hike in 2014; upside risks to this outlook clearly on the rise.
Turkey (TCMB)	Surprise lowering of the upper boundary of the o/n intertest rate corridor; we expect (possibly 50bp) cuts to the TCMB's main refinancing instrument (1w repo) should inflation decrease materially and global sentiment allow for.

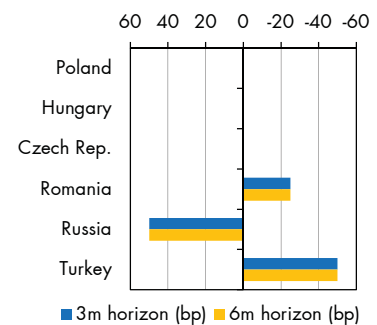
Source: Bloomberg, Reuters, Raiffeisen RESEARCH

Key rate trends (%)



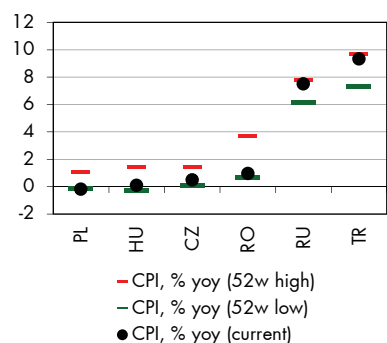
Source: Bloomberg, Raiffeisen RESEARCH

Key rate forecast (chg., bp)



Source: Bloomberg, Raiffeisen RESEARCH

Inflation snapshot



Source: Bloomberg, Raiffeisen RESEARCH

Rate setting meetings

	Aug	Sep
Poland (NBP)		3
Hungary (MNB)	26	23
Czech Rep. (CNB)		25
Romania (BNR)	4	30
Serbia (NBS)	7	11
Russia (CBR)	-	12
Turkey (TCMB)	27	25

Source: National Central Banks, Raiffeisen RESEARCH

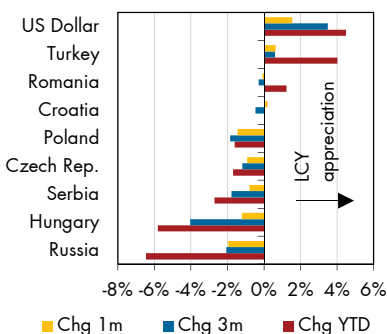
Foreign exchange market overview

FX forecasts

EUR vs	current ¹	Dec-14	Mar-15	Jun-15	5y high	5y low	Comment
PLN	4.22	4.15	4.15	4.15	4.57	3.83	EUR/PLN returned above 4.20 due to further geopolitical tensions which may trigger even more weakening in case the situation deteriorates further
HUF	315.5	315.0	315.0	320.0	320.4	261.3	HUF hit by renewed uncertainty over Ukraine conflict
CZK	27.81	27.20	27.20	27.20	27.93	23.99	Despite coming off the recent lows the crown remains at weak levels against the euro
RON	4.41	4.45	4.40	4.45	4.64	4.06	Appreciation potential limited due to monetary policy easing; external risks predominate
HRK	7.62	7.68	7.66	7.59	7.67	7.18	No changes in the FX market with trading range between the 7.62-7.65 kuna per euro.
RSD	117.8	117.0	118.0	120.0	119.1	93.0	EUR/RSD weakening due to weak economic indicators and reform delays
RUB	48.61	48.11	48.68	48.32	50.96	37.45	see rouble basket below
UAH*	18.05	14.95	14.69	14.22	18.05	9.47	see USD/UAH below
BYR	13,730	14,950	15,470	15,621	14,012	3,607	see USD/BYR below
TRY	2.84	2.73	2.80	2.67	3.19	1.91	see USD/TRY below
USD	1.32	1.30	1.30	1.27	1.51	1.20	Speculations on earlier interest rate hikes of the US Fed might support USD appreciation against EUR
USD vs	current ¹	Dec-14	Mar-15	Jun-15	5y high	5y low	
RUB	36.90	37.00	37.44	38.04	36.90	27.28	see rouble basket below
UAH*	13.66	11.50	11.30	11.20	13.66	7.82	UAH depreciation as no end to conflict is in sight
BYR	10,450	11,500	11,900	12,300	10,450	2,711	Steady BYR depreciation to continue throughout 2014
TRY	2.16	2.10	2.15	2.10	2.34	1.40	TRY to remain exposed to external market risks and to the internal political development in the short run
RUB basket	42.17	42.00	42.50	42.67	43.07	32.94	Renewed RUB selloff as conflict with Ukraine intensifies, new sanctions against Russia likely with additional pressure for RUB

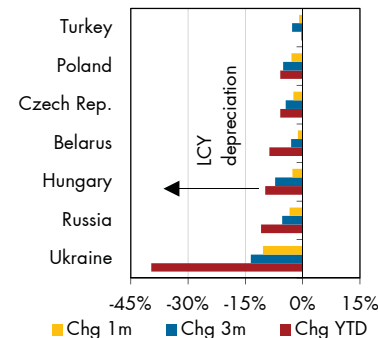
¹ as of 29 August 2014, 09:48 a.m. CET, * under revision
Source: Bloomberg, Raiffeisen RESEARCH

Change of LCY value to EUR (%)



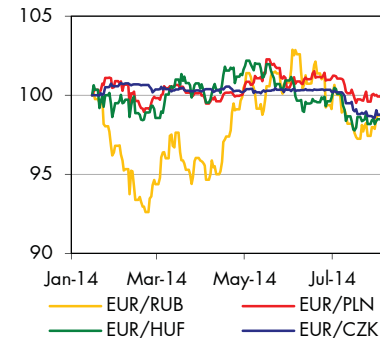
Source: Bloomberg, Raiffeisen RESEARCH

Change of LCY value to USD (%)



Source: Bloomberg, Raiffeisen RESEARCH

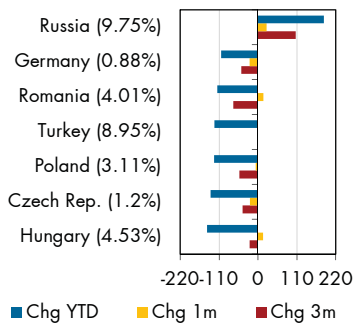
Exchange rate comparison



Indexed January 2014 = 100
Source: Bloomberg, Raiffeisen RESEARCH

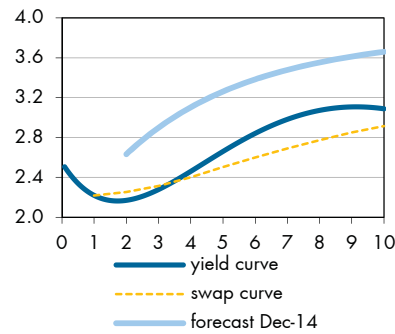
Local currency bond market overview

Change of LCY 10y bond yields (bp)



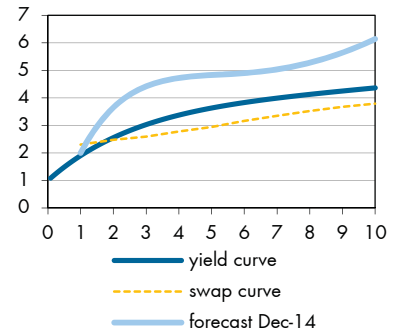
Source: Bloomberg, Raiffeisen RESEARCH

PLN yield curve



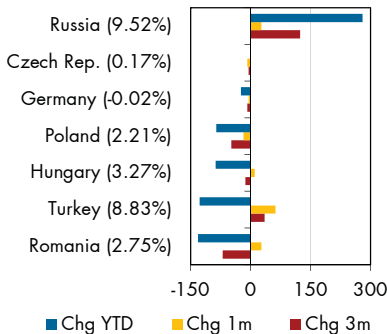
Source: Bloomberg, Raiffeisen RESEARCH

HUF yield curve



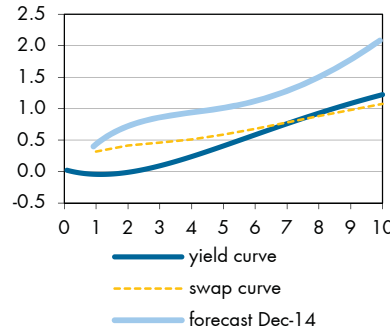
Source: Bloomberg, Raiffeisen RESEARCH

Change of LCY 2y bond yields (bp)



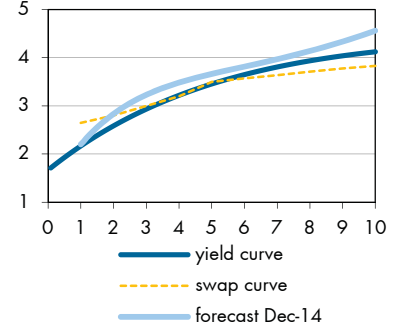
Source: Bloomberg, Raiffeisen RESEARCH

CZK yield curve



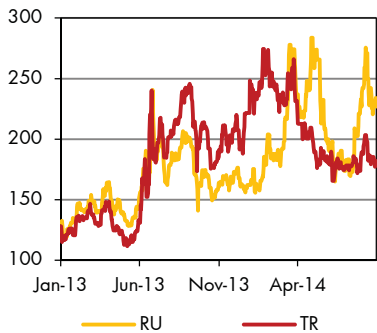
Source: Bloomberg, Raiffeisen RESEARCH

RON yield curve



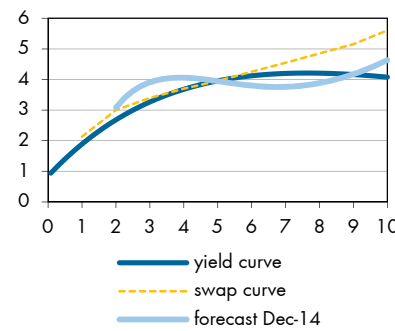
Source: Bloomberg, Raiffeisen RESEARCH

5y USD CDS spreads



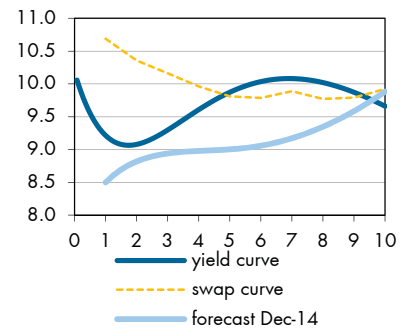
Turkey 5y high 343.7, 5y low 111.7; Hungary 5y high 735, 5y low 164.3; Russia 5y high 336.4, 5y low 118.7
Source: Bloomberg, Raiffeisen RESEARCH

HRK yield curve



Source: Bloomberg, Raiffeisen RESEARCH

RUB yield curve



Source: Bloomberg, Raiffeisen RESEARCH

Yield forecasts

2y T-bond yields (%)							10y T-bond yields (%)						
	current*	Dec-14	Mar-15	Jun-15	5y high	5y low		current*	Dec-14	Mar-15	Jun-15	5y high	5y low
Poland	2.15	2.6	2.8	3.1	5.2	2.2	Poland	3.06	3.7	3.9	4.0	6.4	3.0
Hungary	3.12	4.2	4.4	4.5	10.2	2.9	Hungary	4.38	6.0	6.3	6.6	10.7	4.1
Czech Rep.	0.13	0.3	0.5	0.6	2.5	0.0	Czech Rep.	1.16	2.0	2.2	2.4	5.1	1.2
Romania	2.50	2.8	3.1	3.6	7.3	2.3	Romania	4.15	4.5	4.8	5.1	7.6	4.0
Croatia	2.22	3.5	3.5	3.5	6.3	2.3	Croatia	3.59	4.5	4.5	4.5	6.1	3.8
Russia	7.80	8.8	8.8	8.8	9.4	5.5	Russia	9.65	9.8	9.8	10.0	9.9	6.5
Turkey	8.82	8.7	8.6	8.3	11.3	4.9	Turkey	8.91	9.5	9.7	9.8	11.0	6.0
Eurozone	-0.02	0.1	0.2	0.4	1.9	-0.1	Eurozone	0.90	1.8	2.0	2.2	3.5	0.9
USA	0.50	0.8	1.2	1.6	1.2	0.2	USA	2.34	3.3	3.5	3.7	4.0	1.4

* Ask yields as of 29 August 2014, 11:18 a.m. CET
Source: Bloomberg, Raiffeisen RESEARCH

Local currency bond market overview

CEE local currency bond market snapshot

	Maturity	Coupon, %	Ask Price	YTM, %	Spread to Bunds, bp	MDur.	Comment
Poland							
PLN 2y Gov. Bond	25/07/2016	0.00	96.02	2.17	220	1.9	Recent comments from NBP Governor seem rather dovish but it is still uncertain whether he will support the other clearly pro-cut MPC members.
PLN 5y Gov. Bond	25/07/2019	3.25	103.34	2.52	234	4.6	
PLN 10y Gov. Bond	25/10/2023	4.00	107.27	3.07	219	7.7	
Hungary							
HUF 3y Gov. Bond	25/04/2018	4.00	102.80	3.17	318	3.4	Hungarian government debt market remains specifically prone to vagaries of global risk appetite compared to CE peers.
HUF 5y Gov. Bond	24/06/2019	6.50	112.81	3.55	337	4.3	
HUF 10y Gov. Bond	24/06/2025	5.50	108.84	4.45	357	8.5	
Czech Republic							
CZK 2y Gov. Bond	11/04/2015	3.80	102.35	-0.05	-3	n.v.	Czech government bond yields continue to enjoy safe haven bids. Stability expected in the short run given speculations on more ECB easing and elevated geopolitical risks which will hinder the cyclical rise in Bund yields to start in the foreseeable future.
CZK 5y Gov. Bond	11/04/2019	5.00	120.88	0.41	24	4.2	
CZK 10y Gov. Bond	25/05/2024	5.70	141.56	1.16	27	8.0	
Croatia							
HRK 5y Gov. Bond	10/07/2018	5.25	105.66	3.71	353	3.6	EUR-linked bonds are expected to follow Eurobonds. HRK market is supposed to be well bid influenced primarily by T-bills announced for Tuesday.
HRK 8y Gov. Bond	05/03/2020	6.75	115.65	3.59	271	4.7	
Romania							
RON 3y Gov. Bond	26/07/2017	5.90	108.36	2.85	286	2.7	In line with regional peers, ROMGB reacted also sensitive to souring global sentiment on the repricing of US rate hike expectations.
RON 5y Gov. Bond	26/07/2017	5.90	108.36	2.85	267	2.7	
Russia							
RUB 2y Gov. Bond	11/05/2016	6.00	95.50	9.10	913	1.6	Tense geopolitical situation keeps OFZ market under considerable pressure, exacerbated by the adverse impact of US MP tightening speculations. Positive deescalation shock needed for reaching our bullish forecasts.
RUB 5y Gov. Bond	03/08/2016	6.90	96.30	9.23	905	1.9	
RUB 10y Gov. Bond	24/11/2021	7.00	86.98	9.30	842	5.5	
Turkey							
TRY 2y Gov. Bond	13/07/2016	8.20	98.90	8.84	887	1.8	TRY debt market hit hard by the latest sell-off. Given still looming political uncertainties and mounting pressure from US monetary policy TURKGBs to remain under temporary pressure, whilst afterwards relief rally not excluded.
TRY 5y Gov. Bond	14/11/2018	8.80	99.90	8.82	864	3.5	
TRY 10y Gov. Bond	24/07/2024	9.00	100.50	8.92	804	6.9	

Prices as of 29 August 2014, 10:04 a.m. CET;
Source: Bloomberg, Raiffeisen RESEARCH

Bond auctions

	ISIN	Coupon	Maturity	Volume
2 September 2014				
HU	T-bonds	n.a.	n.a.	n.a.
3 September 2014				
RU	OFZ-bonds	n.a.	n.a.	n.a.
4 September 2014				
HU	T-bonds	n.a.	n.a.	n.a.
PL	T-bonds	n.a.	n.a.	n.a.
RO	1y T-bond	n.a.	0.00%	07 Sep-15

Summary: Ratings & macro data

Country ratings: CE, SEE, CIS

	S&P			Moody's			Fitch		
	LCY	FCY	Outlook	LCY	FCY	Outlook	LCY	FCY	Outlook
CEE									
Poland	A	A-	stable	A2	A2	stable	A	A-	positive
Hungary	BB	BB	stable	Ba1	Ba1	negative	BBB-	BB+	stable
Czech Republic	AA	AA-	stable	A1	A1	stable	AA-	A+	stable
Slovakia *	A	A	positive	A2	A2	negative	A+	A+	stable
Slovenia *	A-	A-	stable	Ba1	Ba1	negative	BBB+	BBB+	negative
SEE									
Romania	BBB-	BBB-	stable	Baa3	Baa3	stable	BBB	BBB-	stable
Bulgaria	BBB-	BBB-	stable	Baa2	Baa2	stable	BBB	BBB-	stable
Croatia	BB	BB	stable	Ba1	Ba1	negative	BB+	BB	stable
Serbia	BB-	BB-	negative	B1	B1	stable	B+	B+	stable
CIS									
Russia	BBB	BBB-	negative	Baa1	Baa1	negative	BBB	BBB	negative
Ukraine	B-	CCC	stable	Caa1	Caa3	negative	B-	CCC	negative
Belarus	B-	B-	stable	B3	B3	negative	not rated	not rated	not rated
Kazakhstan	BBB+	BBB+	negative	Baa2	Baa2	positive	A-	BBB+	stable
Turkey	BBB	BB+	negative	Baa3	Baa3	negative	BBB	BBB-	stable

* Euro area (Euro currency) members; positive rating/outlook changes (in previous week) in green, negative changes in red
Source: rating agencies websites

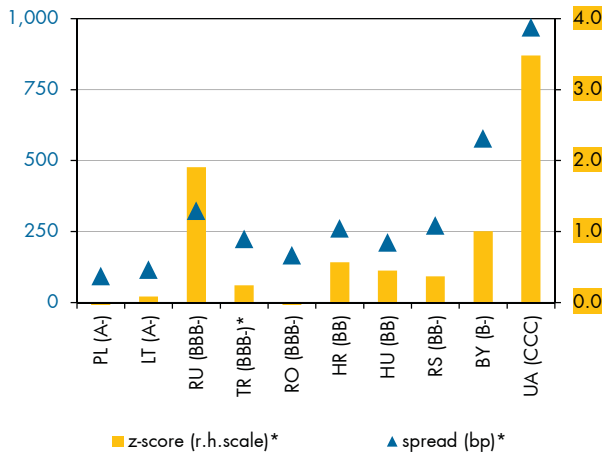
Main macro data & forecasts*

Country	Year	GDP, % avg. yoy	CPI, % avg. yoy	Unemployment, %	Nominal wages, EUR	Fiscal balance, % GDP	Public debt, % GDP	Export**, % GDP	C/A, % GDP	Ext. debt, % GDP	FXR*** % ext. debt	Import cover, months
Croatia	2013	-0.9	2.2	17.3	1044	-4.9	67.4	21.1	0.9	105.8	28.3	10.0
	2014e	-0.8	0.6	17.4	1030	-4.8	70.8	22.3	1.2	106.6	27.5	9.6
	2015f	1.0	2.0	17.2	1030	-4.5	73.2	22.2	0.7	104.2	27.6	9.6
Czech Rep.	2013	-0.9	1.4	7.7	967	-1.5	46.0	72.7	-1.4	54.2	50.3	4.7
	2014e	2.6	0.8	7.5	942	-1.5	46.0	80.5	0.5	56.0	51.3	4.5
	2015f	2.4	2.2	7.4	980	-2.5	46.8	84.0	0.3	54.2	52.3	4.3
Hungary	2013	1.1	1.7	10.4	778	-2.3	79.2	83.6	3.0	123.5	27.3	5.3
	2014e	2.7	0.7	7.4	783	-2.8	81.5	85.8	3.4	118.2	28.2	5.1
	2015f	2.5	3.0	6.2	794	-2.9	81.0	87.7	3.5	112.6	27.2	4.6
Poland	2013	1.6	0.9	13.6	870	-4.3	57.0	40.1	-1.3	70.8	28.0	6.0
	2014e	3.3	0.4	13.1	909	-3.3	50.4	42.0	-1.1	69.2	29.6	6.1
	2015f	3.3	2.3	12.7	987	-2.9	50.3	44.0	-2.1	68.0	29.9	5.6
Romania	2013	3.5	4.0	7.3	490	-2.3	38.4	34.8	-1.1	67.5	33.9	7.4
	2014e	3.5	1.4	7.2	510	-2.5	38.5	36.0	-2.0	62.8	33.2	6.4
	2015f	3.5	2.7	7.1	539	-2.3	38.2	36.7	-2.5	61.3	32.5	5.9
Russia	2013	1.3	6.8	5.6	692	-1.0	11.3	24.9	1.6	34.1	63.7	15.9
	2014e	-0.3	6.7	5.8	682	-0.5	11.1	26.4	2.3	39.1	58.6	16.3
	2015f	1.0	5.3	5.8	726	-0.4	12.0	26.0	2.0	39.3	55.8	15.3
Ukraine	2013	0.0	-0.2	7.5	313	-6.5	40.3	36.1	-9.1	78.9	11.9	2.4
	2014e	-7.0	11.3	8.5	260	-7.0	54.0	49.6	-3.0	106.8	11.9	2.4
	2015f	1.5	9.0	8.0	284	-4.5	54.5	50.7	-3.1	98.0	12.8	2.3
Turkey	2013	4.1	7.5	9.5	351	-2.2	39.6	19.8	-7.9	45.3	28.6	5.3
	2014e	3.5	8.5	9.5	331	-2.5	0.0	20.4	-6.4	52.7	24.7	5.4
	2015f	4.0	7.4	9.0	370	-2.5	0.0	19.0	-6.0	48.8	21.5	4.7

* only for countries regularly included in CEE Weekly; ** Export of Goods only; *** FXR - Foreign exchange reserves
Source: Thomson Financial Datastream, National Statistics

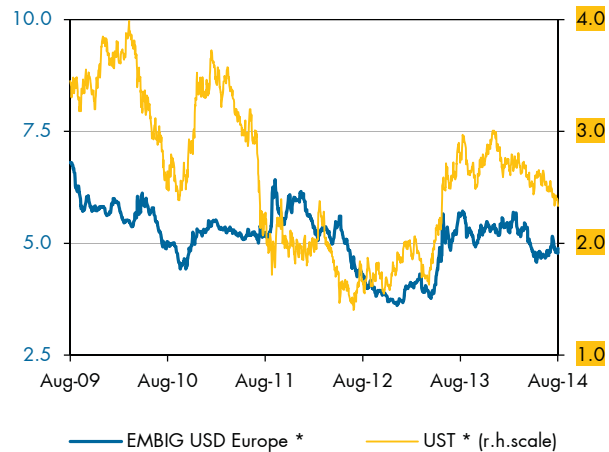
Eurobond market overview

CEE USD EMBIG spread valuation*



* z-score - EMBIG USD country spread deviation from mean normalised by 1 standard deviation, score at or below minus 1 = expensive, at or above 1 = cheap
Source: Thomson Reuters, Raiffeisen RESEARCH

CEE EMBIG USD vs. UST YTM*



* YTM - yield to maturity EMBI Global USD, UST - 10-year US Treasury note
Source: Thomson Reuters, Raiffeisen RESEARCH

Issuer/rate/du	Market Price				YTM mid.		Spread vs. Bmk, bp	Mdur. years	ISIN
	Bid	Ask	w/w %	5y max	5y min	% p. a.			
EUR									
BGARIA 4 1/4 07/09/17	107.9	108.2	-0.12	110.5	100.3	1.35	134	2.7	XS0802005289
CROATI 6 1/2 01/05/15	101.9	102.0	-0.16	112.7	98.3	0.69	70	0.3	XS0431967230
CROATI 5 7/8 07/09/18	110.7	111.6	-0.09	112.2	87.7	2.78	269	3.4	XS0645940288
REPHUN 3 1/2 07/18/16	104.4	104.7	-0.03	104.5	77.1	1.05	108	1.8	XS0240732114
REPHUN 5 3/4 06/11/18	113.5	114.0	0.13	114.0	76.0	1.92	185	3.4	XS0369470397
REPHUN 6 01/11/19	115.5	116.2	0.03	116.3	77.9	2.15	200	3.8	XS0625388136
LITHUN 4.85 02/07/18	113.1	113.6	-0.04	113.4	85.9	0.87	83	3.2	XS0327304001
POLAND 3 5/8 02/01/16	104.8	105.1	0.05	109.0	95.1	0.12	13	1.4	XS0242491230
POLAND 1 5/8 01/15/19	103.9	104.2	0.07	104.1	98.0	0.68	53	4.2	XS0874841066
POLAND 3 3/4 01/19/23	117.3	118.0	0.62	117.7	99.5	1.49	81	7.2	XS0794399674
POLAND 3 3/8 07/09/24	114.7	115.2	0.70	114.8	99.3	1.71	80	8.5	XS0841073793
ROMANI 5 1/4 06/17/16	107.5	107.7	-0.05	109.2	95.5	0.94	96	1.7	XS0638742485
ROMANI 4 7/8 11/07/19	114.2	114.7	0.11	114.6	99.0	1.91	168	4.5	XS0852474336
TURKEY 5 7/8 04/02/19	115.3	115.7	0.38	119.4	99.1	2.27	209	4.0	XS0285127329
TURKEY 5 1/8 05/18/20	112.5	113.5	0.31	115.9	95.2	2.65	237	4.9	XS0503454166
USD									
BGARIA 8 1/4 01/15/15	102.6	102.9	-0.10	120.5	102.7	0.67	63	0.4	XS0145623624
BELRUS 8 3/4 08/03/15	102.2	103.2	-0.17	106.1	70.7	5.65	556	0.9	XS0529394701
BELRUS 8.95 01/26/18	105.0	106.0	-0.43	111.2	70.0	7.09	599	2.9	XS0583616239
CROATI 6 3/8 03/24/21	109.8	110.6	0.89	117.8	86.7	4.55	260	5.3	XS0607904264
CROATI 5 1/2 04/04/23	104.1	104.8	1.02	108.6	94.4	4.86	266	6.7	XS0908769887
REPHUN 5 3/8 02/21/23	107.5	108.0	0.89	108.2	93.1	4.27	208	6.8	US445545AH91
REPHUN 7 5/8 03/29/41	129.9	130.9	1.41	130.6	79.5	5.44	249	12.8	US445545AF36
LITHUN 7 3/8 02/11/20	122.2	122.8	0.50	130.7	98.8	2.87	115	4.6	XS0485991417
LITHUN 6 5/8 02/01/22	121.5	122.2	0.73	128.6	101.0	3.28	119	6.0	XS0739988086
LATVIA 2 3/4 01/12/20	98.7	99.3	0.56	101.1	91.4	2.95	124	4.9	XS0863522149
LATVIA 5 1/4 06/16/21	111.8	112.6	0.82	117.2	90.9	3.23	123	5.7	XS0638326263
POLAND 3 7/8 07/16/15	102.7	103.1	-0.03	107.8	100.3	0.52	44	0.9	US731011AS13
POLAND 6 3/8 07/15/19	118.8	119.2	0.19	125.9	105.7	2.23	64	4.2	US731011AR30
POLAND 3 03/17/23	98.7	99.0	1.01	101.1	87.6	3.15	95	7.4	US731011AT95
ROMANI 6 3/4 02/07/22	120.5	121.0	0.49	124.4	99.2	3.55	146	6.0	US77586TAA43
ROMANI 4 3/8 08/22/23	104.3	104.8	0.55	105.5	90.8	3.77	153	7.4	US77586TAC09
RUSSIA 4 1/2 04/04/22	97.7	98.6	-1.25	114.7	94.1	4.79	269	6.2	XS0767472458
RUSSIA 7 1/2 03/31/30	111.8	112.0	-1.41	128.7	102.5	4.87	232	4.3	XS0114288789
RUSSIA 5 5/8 04/04/42	97.8	98.8	-1.82	124.9	89.0	5.75	276	13.5	XS0767473852
SERBIA 5 1/4 11/21/17	103.9	104.6	0.26	107.1	96.8	3.83	280	2.9	XS0856951263
SERBIA 4 7/8 02/25/20	101.5	102.3	0.39	103.9	89.6	4.49	276	4.8	XS0893103852
TURKEY 6 1/4 09/26/22	113.5	114.3	0.66	127.0	101.0	4.20	205	6.3	US900123BZ27
TURKEY 6 7/8 03/17/36	120.9	121.6	1.01	139.6	95.2	5.22	245	11.8	US900123AY60
TURKEY 6 3/4 05/30/40	119.6	120.5	1.15	139.4	95.0	5.31	238	13.1	US900123BG46
UKRAIN 7 3/4 09/23/20	87.6	88.5	-4.65	108.0	80.8	10.47	862	4.4	XS0543783194
UKRAIN 7.8 11/28/22	87.3	88.3	-4.73	106.6	79.3	10.01	784	5.7	XS0858358236
UKRAIN 7 1/2 04/17/23	85.1	86.1	-4.90	101.7	78.8	10.04	783	5.8	XS0917605841

* w/w - week on week, 5-y - 5-year low and high, YTM mid - yield to maturity based on mid market price, Bmk - benchmark, Mdur - modified duration, ISIN - international security identification number; prices as of 29 August 2014, 11:00 a.m. CET
Source: Bloomberg, Raiffeisen RESEARCH

Risk notifications and explanations

Warnings

- Figures on performance refer to the past. Past performance is not a reliable indicator of the future results and development of a financial instrument, a financial index or a securities service. This is particularly true in cases when the financial instrument, financial index or securities service has been offered for less than 12 months. In particular, this very short comparison period is not a reliable indicator for future results.
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- The return on an investment can rise or fall due to exchange rate fluctuations.
- Forecasts of future performance are based purely on estimates and assumptions. Actual future performance may deviate from the forecast. Consequently, forecasts are not a reliable indicator for the future results and development of a financial instrument, a financial index or a securities service.

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The distribution of all recommendations relating to the calendar quarter prior to the publications date, and distribution of recommendations, in the context of which investmentbanking services within the meaning of § 48f (6) Z 6 Stock Exchange Act (BörseG) have been provided in the last 12 months, is available under: www.raiffeisenresearch.at/distributionofrecommendations

Bonds

Recommendations history: Local currency government bonds (B: buy; H: hold; S: sell; I: no change)*

Date of change	CZ			CZK			HU			HUF			PL			PLN			RO			RON			RU			RUB			TR			TRY
	2y	5y	10y	2y	5y	10y	2y	5y	10y	2y	5y	10y	2y	5y	10y	2y	5y	10y	2y	5y	10y	2y	5y	10y	2y	5y	10y	2y	5y	10y				
19/03/2014	Hold	Hold	Hold	Buy	Hold	Hold	Sell	Sell	Hold	Hold	Sell	Buy	Hold	Hold	Hold	Hold	Buy	Buy	Hold	Sell	Buy	Hold	Buy	Hold	Buy	Hold	Buy	Hold	Buy	Hold				
02/05/2014	I	I	I	I	I	I	Hold	Hold	Buy	Buy	Buy	I	I	I	I	I	Hold	Hold	I	I	Hold	I	Sell	Sell	I	I	I	I	I	I				
14/05/2014	Buy	Buy	Buy	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I				
20/06/2014	Hold	Hold	Hold	Hold	I	I	I	Sell	Hold	Hold	Hold	Hold	I	I	I	I	Sell	Sell	Sell	I	I	I	Hold	Buy	I	I	I	I	I	I				
06/08/2014	I	I	I	I	I	I	I	Hold	I	I	I	I	I	I	I	I	Hold	Hold	Hold	Hold	I	I	I	I	I	I	I	I	I	I				
14/08/2014	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I				

* recommendations based on absolute expected performance in LCY; TRY vs. USD; RUB vs. Basket; other FX vs. EUR; Source: Raiffeisen RESEARCH

Recommendations history: Sovereign Eurobonds (B: buy; H: hold; S: sell; I: no change)*

Date of change	BG		HR		CZ		HU		PL		RO		RU	
	EUR	USD	EUR	USD	EUR	USD	EUR	USD	EUR	USD	EUR	USD	EUR	USD
19/03/2014	Hold	-	Sell	Sell	Hold	Hold	Buy	Hold	Hold	Hold	Hold	Hold	-	Buy
29/04/2014	I	-	I	I	I	I	I	Buy	I	I	Buy	Buy	Sell	Sell
20/06/2014	I	-	I	I	I	I	I	I	Buy	I	Hold	Hold	Hold	Hold
06/08/2014	I	-	I	I	I	I	I	I	Hold	I	Buy	I	I	I
14/08/2014	I	-	I	I	I	I	I	I	I	I	Buy	I	I	I

Date of change	RS		SK		SI		TR		UA		BY	
	EUR	USD	EUR	USD	EUR	USD	EUR	USD	EUR	USD	EUR	USD
19/03/2014	-	Hold	-	-	-	-	Buy	Hold	Sell	Sell	-	Hold
29/04/2014	-	I	-	-	-	-	Hold	I	I	I	-	I
20/06/2014	-	Buy	-	-	-	-	Buy	I	Hold	I	-	I
06/08/2014	-	Hold	-	-	-	-	Hold	I	I	I	-	I
14/08/2014	-	I	-	-	-	-	I	I	I	I	-	I

* recommendations based on absolute expected performance, i.e. expected spread change; Source: Raiffeisen RESEARCH

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